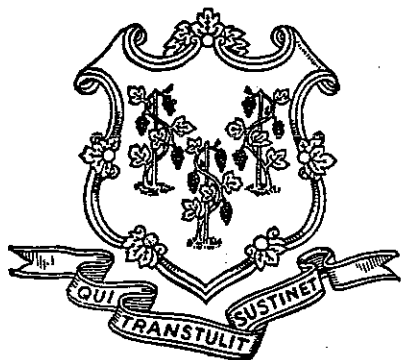


Department of Motor Vehicles Dealers and Repairers Division

Connecticut
General Assembly



LEGISLATIVE
PROGRAM REVIEW
AND
INVESTIGATIONS
COMMITTEE

January 1986

CONNECTICUT GENERAL ASSEMBLY

LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

The Legislative Program Review and Investigations Committee is a joint, bipartisan, statutory committee of the Connecticut General Assembly. It was established in 1972 as the Legislative Program Review Committee to evaluate the efficiency and effectiveness of selected state programs and to recommend improvements where indicated. In 1975 the General Assembly expanded the committee's function to include investigations and changed its name to the Legislative Program Review and Investigations Committee. During the 1977 session, the committee's mandate was again expanded by the Executive Reorganization Act to include "Sunset" performance reviews of nearly 100 agencies, boards, and commissions, commencing on January 1, 1979. Review of the original schedule of sunset entities was completed in 1984. Review of the list will begin again in 1988.

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DEPARTMENT OF MOTOR VEHICLES:
DEALERS AND REPAIRERS DIVISION

PERFORMANCE AUDIT

LEGISLATIVE PROGRAM REVIEW AND
INVESTIGATIONS COMMITTEE

JANUARY 1986

DEALERS AND REPAIRERS DIVISION

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DEALERS AND REPAIRERS

SUMMARY

The Legislative Program Review and Investigations Committee undertook a ten-month performance audit of the Department of Motor Vehicles that resulted in four individual reports, including a separate evaluation of the Dealers and Repairers Division. The committee's review of the division produced nine separate recommendations designed to: improve the division's complaint processing; reduce both complaint and hearing backlogs; establish a performance monitoring system; and broaden the department's disciplinary sanctions to include restitution to the consumer.

RECOMMENDATIONS

The following nine recommendations were adopted by the Legislative Program Review and Investigations Committee as a result of its audit of the Dealers and Repairers Division.

1. The current Dealers and Repairers Division should be made a section and organizationally placed under the Department of Motor Vehicles Programs Bureau, Regulation and Enforcement Division. The section should be headed by an assistant division chief. The current staffing levels of the division should remain the same under the section.

2. To improve phone access to and provide centralized information about the dealers and repairers section, and eliminate the necessity for inspectors to answer phones and perform other clerical duties, all phone calls concerning dealers and repairers functions should be answered at a central phone center with toll-free access for all state residents. Personnel answering the phones should all have access to both computerized licensing information and the dealers and repairers' complaint file.

Further, all inspectors should be assigned to either the consumer complaint unit or one of the inspection programs--plate, road, junkyard, or locations--and not to clerical duties such as answering the phone or staffing the counter in the dealers and repairers' main office.

3. The dealers and repairers section should be monitored based upon a series of performance indicators established by the planning and operations research unit. Those indicators should include, but not be limited to: number of complaints assigned and resolved by each inspector at each stage in the complaint process; average length of time to resolve complaints both by type and by inspector; and number of licensing applications reviewed by clerical staff and average length of time for approval.

The planning and operations research unit should also establish workload standards for the dealers and repairers section including the following:

- number of complaints an inspector should resolve in a day;
- number of plate inspections an inspector should complete in a day;
- number of location inspections an inspector should complete in a day; and
- number of license applications a registration examiner should complete in a day.

These standards should be included in the annual evaluation conducted on each employee.

4. To streamline the licensing application procedure, ease record-keeping, and improve the section's ability to track applicants with prior licensing violations, all licensing information related to dealers and repairers should be computerized by January 1, 1987. Included on the automated system should be: licensee name(s), address(es), license number, business location, insurance information, and date of last inspection. All information should be maintained for at least five years.

5. The dealers and repairers section should establish a system of staggered licensing whereby all categories of licenses lapse throughout the year and not at specified expiration dates.

6. The Department of Motor Vehicles should establish its complaint process in regulation, and include the following:

Receipt. The Department of Motor Vehicles should receive all complaints concerning the operations of any licensee regulated by the department's Dealers and Repairers section.

Complaint Form. All complaints should be on a department form as prescribed by the commissioner. The form should include a tear-off portion to be immediately returned to the complainant once the form has been received by the department.

The complaint form should also list those complaint areas that fall under the department's jurisdiction. For areas not under DMV jurisdiction, the complaint form should indicate the agency or department with responsibility for that complaint area.

Complaint Filing. Only those complaints generated by consumers or those violations found as a result of the dealers and repairers section plate inspection program should be entered on the computerized complaint files. Failure on the part of a licensee to comply with administrative requirements, such as insurance coverage, should not be entered on the complaint system.

Complaint Screening. The complaint form should be screened as soon as it is received in the dealers and repairers section. Section staff should dismiss any complaint in which the form clearly indicates that the allegation, if substantiated, would not constitute a violation of any statute or regulation.

The section should appropriately refer any complaint in which the allegation, if substantiated, would constitute a violation under the jurisdiction of another agency or department. The complainant should be notified immediately of the action in either case. All other cases should be referred for further investigation within the section.

Complaint Investigation. All complaints should first be reviewed within the consumer complaint unit of the dealers and repairers section. The section shall establish a policy whereby the oldest complaints are investigated first.

Closing Complaints. After a complaint has been closed, either in the consumer complaint unit or after field investigation, the case should be reviewed by one of the following--a sergeant, a lieutenant, or assistant division chief--for thoroughness of investigation and appropriateness of resolution.

7. The Department of Motor Vehicles should establish in regulation a process whereby an administrative hearing may be waived. The process should include, but not be limited to, the following. Once a case is approved for a hearing it should be reviewed by the adjudications analyst to assess its appropriateness for a waiver. If a waiver is deemed appropriate, then a written notice should be sent to the dealer or repairer indicating that the licensee has 15 days to waive the right to a hearing. If the respondent does not reply to the waiver within the required time, or if he/she refuses to stipulate, then the case would be prepared for a hearing.

In addition, hearings on dealers and repairers cases should be heard in Hamden and Fairfield, as well as Wethersfield, to provide more easily accessible services to customers throughout the state.

8. The Department of Motor Vehicles should:

- establish criteria by which a licensee may be granted additional plates beyond the statutory limits; and

- consider either retail sales or wholesale sales (not both) as the basis for issuing dealer plates.

9. To provide the department with the formal authority to award restitution to the consumer, the department should be statutorily granted, through its administrative hearing process, the authority to impose upon a licensee a decision of restitution--either monetary or in-kind--to the consumer.

CHAPTER I

INTRODUCTION

Selection of the Program

In early 1985, the Legislative Program Review and Investigations Committee met to discuss topics for performance audits, and voted to undertake a study of the Department of Motor Vehicles. Committee members noted that the agency was frequently the subject of constituent complaints, and that the agency had not been reviewed by the legislature recently. Of particular concern to members were the long lines at motor vehicles offices and the problem of reaching the department by telephone.

The Dealers and Repairers Division performs discrete functions, one of them being the receipt and processing of consumer complaints. Since the major focus of the performance audit was to evaluate the department's customer services, it was decided early in the audit that special attention should be given to the Dealers and Repairers Division, particularly as to how it handles complaints.

Scope of the Audit

During the course of the performance audit, the program review committee examined the following aspects of the Dealers and Repairers Division: 1) staff and resources devoted to the division; 2) major functions performed by the division; 3) procedures and processes followed by the division in performing those functions; 4) activities related to complaints and dispositions, particularly those cases scheduled for administrative hearing; and 5) complainant perceptions of the dealer and repairer complaint process. One area not examined in depth is the efficacy of the regulation of dealers and repairers. Rather, since this was a performance audit, the program review committee focused on evaluating how well the division was performing those regulatory functions assigned to it.

Methodology

In evaluating the performance of the Dealers and Repairers Division, the program review staff examined department budgets, its Issues and Receipts (accounting) Statements, and data generated from the division's computerized complaint systems. In addition, staff examined all complaint cases scheduled for a hearing during calendar 1984 and compiled a data base of information on type of violation, time elapsed from allegation to hearing, and number of contacts each inspector made on each of these cases.

Staff also reviewed 109 complaints randomly selected from a total of 7,952 complaints received by the division in 1984. Information similar to the hearing data described above was assembled on this sample of customer complaints.

To assess the level of customer satisfaction with the complaint-handling process, a survey was mailed to 157 people who registered a complaint with the division in 1984. (See Appendix C) Of the 157 consumers surveyed, 72 (46 percent) responded. Staff also interviewed selected division personnel to assemble information on all division responsibilities and procedures.

Report Outline

The Dealers and Repairers Division audit is one of four reports that the Legislative Program Review and Investigations Committee issued on the Department of Motor Vehicles. While each of the reports is self contained, a number of the findings and recommendations adopted for the Dealers and Repairers Division are inter-related with those made in the Agency Management and Central Operations. For this reason, the recommendations for central operations are contained in Appendix A of this report. Appendix B contains a cost analysis for all recommendations made in the four performance audits.

The report on Dealers and Repairers is organized in the following manner. Chapter I, the introductory chapter, outlines how the program was selected for review, and the audit's scope and methodology. Chapter II contains a description of the Dealers and Repairers Division, including its organization and staffing. This chapter also describes and analyzes the programs administered by the division. Chapter III, the final chapter, puts forth the findings and recommendations made by the Legislative Program Review and Investigations Committee.

CHAPTER II

DESCRIPTION AND ANALYSIS

Organization and Resources

Licensing of automobile dealers and repairers began in 1933. The Dealers and Repairers Division, which is responsible for regulating all establishments that sell and/or repair autos in Connecticut, was established at that time. The division, the smallest of the department's five major units, has a staff of 38 established positions. It is headed by a division and assistant division chief who oversee 27 inspection and 9 clerical personnel. At present, no positions are vacant although two inspector positions vacant throughout the summer were filled as of October, 1985.

The department's organizational chart of the Dealers and Repairers Division, as revised by the program review staff, is shown in Figure II-1. Functional units as well as the staff typically assigned to each area are included. In addition to the division management, the units are: consumer complaints; plate inspections; location inspections; road inspections; and the clerical unit.

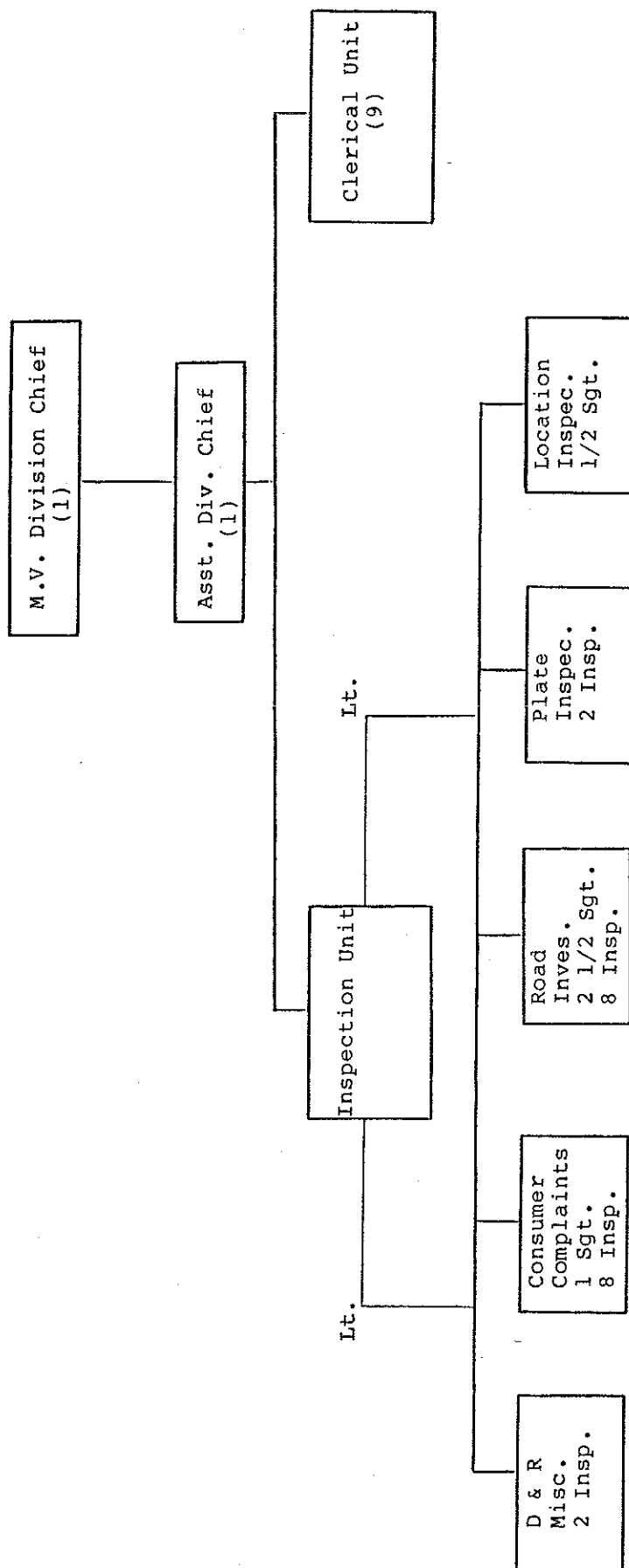
The Dealers and Repairers Division is one of the few areas in the department to have experienced an increase in staff over the past 10 years. In FY 76, the division consisted of 28 established positions, by FY 85, it had grown to 38, a 36 percent increase. The budget has also grown from \$335,182 in FY 76 to \$911,658 in FY 85. Table II-1 shows the revenues collected and expenditures made by the Dealers and Repairers Division for FY 85. As the table indicates, \$752,402 (82 percent) was spent in personal services and \$159,256 (18 percent) in other expenses.

Table II-1. Dealers and Repairers--Revenues and Expenditures for FY 85.

<u>Category of License</u>	<u>Revenues Collected</u>	<u>Expenditures</u>	
New Car Dealer	\$160,558	Personal	\$752,402
Used Car Dealer	288,870	Other	159,256
Repairer	129,508		
Junkyard	57,609	TOTAL	\$911,658
Gas Station	97,646		
Other fees	42,474		
TOTAL	\$776,665		

Source: DMV Issues and Receipts Statements and Department Budget.

Figure II-1. Dealers and Repairers Division Organization.



Source: Department of Motor Vehicles--Revised by LPR&IC Staff.

The revenues collected by the Dealers and Repairers Division can be expected to grow since fees in all licensing categories are statutorily scheduled for increases pursuant to Public Act 84-254, passed in 1984. Table II-2 shows the legislated increases in the

Table II-2. Increases in Dealer and Repairer Fees 1985 - 1993.

Statute	1985	Effective July 1		1993
		1989	1991	
14-21c Certificates (Experimental Cars)	\$ 30	\$ 45	\$ 56	\$ 70
14-52 New Motor Vehicle Dealers	150	225	280	350
Used Motor Vehicle Dealers	120	180	225	280
Used Motor Vehicle Repairers/Limited Repair	72	108	135	170
14-53 Examination of Business Location	120	180	225	280
14-58 New Car Dealer, Used Car Dealer or Repairer License Application Fee	60	90	113	140
Motor Vehicles Registered with a General Distinguishing Mark/ Characteristic (Each Plate)	30	45	56	70
14-671 Junkyard Licenses:				
Exam of Location	120	180	225	280
License Fee	300	450	563	705
Renewal	150	225	280	350
Plates	30	45	56	70
14-319 License Sell Gasoline:				
Station Contain 1 Pump	21	32	40	50
Station Contain More Than 1 Pump	21.+6	32.+9	40.+11.25	50.+14
14-320 Exam. of Location:				
Selling Gas on Places Adjoining State Highways	150	225	280	350
Change of Ownership	21	32	40	50
Examination of Each Pump	21	32	40	50

Source: Office of Legislative Research, Summary of 1984 Public Acts.

dealers and repairers area from current 1985 to 1993 fees. The effect of the legislation will be to increase license fees in the dealer and repairer area an average of 134 percent over the next 8 years.

Major Functions

The Dealers and Repairers Division is responsible for enforcing statutory and regulatory requirements for the sale and repair of automobiles. The division discharges this responsibility by: 1) inspecting new locations before licenses are granted; 2) examining license applications and issuing the license to approved applicant; 3) ensuring proper use of dealer plates; and 4) responding to consumer complaints concerning the sale or repair of automobiles. Division personnel also pursue cases where the department has received notification that a licensee's liability insurance has lapsed.

Essentially all Dealer and Repairer Division services are provided out of the Wethersfield central office. However, division personnel are assigned to respond to dealer and repairer complaints at five branch offices at least one-half day a week.

Licensing and inspection. The division is responsible for licensing seven types of businesses:

- new car dealers;
- used car dealers;
- repair services (general and limited);
- wrecker services;
- junkyards;
- manufacturers; and
- gasoline stations.

Licensure requirements are similar in all categories. For each license category, the number of licensees and the requirements, including fees, are listed in Table II-3. The process for obtaining a license is also similar. Documents are obtained from the Dealers and Repairers Division, completed by the applicant, and returned to the division for examination. To assist commercial licensure applicants in completing the requirements, the division issues a checklist of specific items to be completed by the applicant. Most of the items concern documents that must be provided to the division. After the documents have been received, examined, and approved by the division staff, an inspection of the location is scheduled. If the site is acceptable, the license is granted.

To continue being licensed, businesses must pay an annual renewal fee. They must also comply with certain requirements,

Table II-3. Dealers and Repairers--Initial Licensing Requirements.

Licenses Category & Number	Initial License Fee	License Requirements				
New Car (667)*	\$150**	Application for each place of business	Certificate of approval from local chief exec. and police	Location must be approved by com- missioner	Bond of \$5,000 and proof of financial responsibility	Licenses must document personal qualifications
Used Car (2,338)*	\$120	Application for each place of business	Certificate of approval from local chief exec. and police	Location must be approved by com- missioner	Bond of \$5,000 and proof of financial responsibility	Licenses must document personal qualifications
Repairer (2,058)*	\$72	Application for each place of business	Certificate of approval from local chief exec. and police	Location must be approved by com- missioner	Bond of \$2,500	Licenses must document personal qualifications
Manufac- turer (138)*	\$250	Application made to commissioner	Certified copy of manufacturer's warranty and dealer and prep- aration charges	Affidavit of rates of payment to new car dealers under dealer and preparation obli- gations	proof of finan- cial solvency	
Wrecker	\$33	Must already be licensed as dealer or rep.	Filing of rates and charges at DMV	Examination of equipment by DMV		
Junkyard (147)*	\$300	Application for each place of business	Certificate of approval by local chief exec. officer	Location to be approved by commissioner		
Gasoline Station (2717)*	\$21 + \$6 per added pump	Application for each place of business	Certificate of approval by local chief exec. officer	Location to be approved by commissioner		

* Number of licensees, FY 85.

**Fees for FY 85.

Source: LPR&IC Staff.

most of which concern keeping records and making them available for department inspection. In some cases, the licensee (e.g., junkyards) must also submit periodic reports to DMV, while other licensees (e.g., repair shops) must display a sign declaring its statutory responsibilities to the consumer.

After the initial location inspection, no reinspection of dealers and repairers occurs unless:

- a complaint is filed against the business;
- the business notifies the department of a change in ownership or location; or
- division staff conduct a routine inventory of the dealer's or repairer's marker plates.

Licenses in all seven categories are issued annually. Until 1984, all licenses for six of the seven regulated businesses expired at one time. However, Public Act 84-391 mandated staggered license renewals. The division's implementation of the law to date has been to separate affected businesses into the following categories for license renewal purposes:

February	-	General Repairer, Limited Repairer
April	-	Used Dealer, Junkyard Dealer
June	-	Manufacturer/Distributor
October	-	Retail Gasoline Dealer
November	-	New Dealer

Issuance of dealer plates. By virtue of their types of businesses, dealers and repairers are statutorily granted a certain number of special marker plates. (C.G.S. Secs. 14-58, 14-59) The statutes also stipulate who, and for what purpose, these plates may be used. (C.G.S. Sec. 14-60) Prior to 1984, the number of plates issued to a business was unlimited. Public Act 84-391 restricted the number of plates as follows:

- a new car dealer is entitled to 1 plate for each 10 transactions during a 1-year period;
- a used car dealer is entitled to 3 plates plus an additional plate for every 10 transactions in excess of 30 sales;
- a repairer or limited repairer is entitled to 3 plates per year; and
- junkyard licensees are allowed 3 plates.

The commissioner, by statute, may authorize additional plates upon request.

In addition to the statutory limitations on the number of plates to be issued, P.A. 84-391 also specified how and by whom plates may be used. For example, no vehicle with a special plate may be loaned to a customer for more than 15 days, and the dealer or repairer must keep records on the loan of such vehicles. Furthermore, while any licensed dealer, repairer, or full-time employee may use a vehicle with dealer plates for either business or personal use, part-time employees may use such vehicles for business purposes only.

Department information shows that as of August 1985, a total of 31,356 plates were issued to licensees regulated by the Dealers and Repairers Division. This number is down slightly -- 3.6 percent -- from the August 1984 figure of 32,537. Public Act 84-391, which limited the number of plates to be issued, became effective on October 1, 1984. While it still may be too early to judge the full impact of the law, to date, it appears to have had little effect on the number of plates issued. The department attributes the limited impact of this change to two factors: 1) difficulty in generating the data needed to check the numbers of transactions completed by individual licensees; and 2) the department rarely denies requests for additional plates.

Dealer plate inspections. The Dealers and Repairers Division operates a program to inspect licensees to ensure that special plates are being used according to law. The inspectors reconcile the plate numbers issued by the department with those on record at the licensee's business and check all documentation as to their use. For example, work records must be examined to verify that full-time employees who use special plates do work 35 hours a week, as required by law.

Although funding for a dealer plate inspection team was first authorized in FY 82, hiring freezes and delays postponed the staffing of this function until FY 84. Currently, two full-time inspectors are assigned to the program on a rotating basis under the supervision of a sergeant, who also conducts junkyard inspections. Program review staff found that given the current workload and staffing, establishments are inspected either every two to three years or if a complaint is lodged against a business. The inspectors are able to complete an average of four inspections a day, according to department staff.

Analysis of division data indicates that violations concerning misuse of special plates are the most frequent type of complaints handled by division staff. For example, of the 7,952 complaints filed with the division in calendar year 1984, 2,115, or 26 percent, concerned dealer, repairer, or transporter plates.

If those cases concerning licensees' lapsed insurance, which are coded in the plate-misuse category, are excluded, the number drops to 1,249 cases or 16 percent, but plate misuse still ranks as the second most common complaint area.

Division's Program for Processing Complaints

One of the major functions of the Dealers and Repairers Division is to receive and process complaints filed by a consumer against a business regulated by the department. Table II-4 lists the five most frequent complaint areas for calendar year 1984. The division generally follows the procedure outlined in Figure II-2 in processing complaints.

Table II-4. Five Most Frequent Dealer and Repairer Complaints--1984.

Misuse of Plates	2115
Repairs	1988
Used Car Sales	783
Guarantee/Warranty Repairs	732
Miscellaneous	433

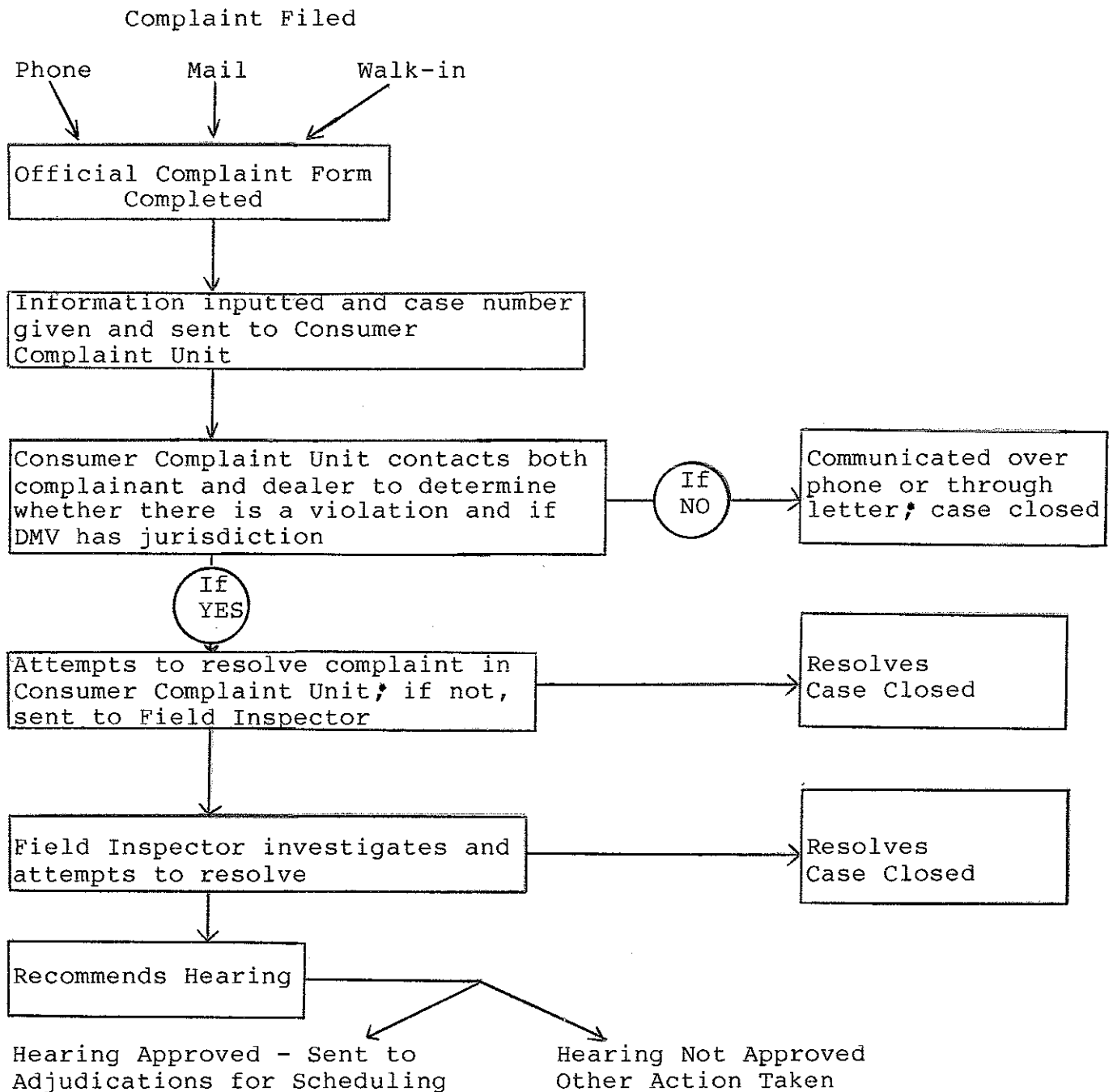
Source: DMV Complaint Data.

Complaint Process. The division receives many complaints initially over the telephone. Some of the calls are handled by inspectors in the Dealers and Repairers Division, while others are electronically forwarded to a phone center in the emissions unit. However, before the Dealers and Repairers Division can act upon a complaint, the consumer must complete a form issued by the department and submit any supporting information, such as repair estimates or bills. (A copy of the division's complaint form is contained in Appendix D).

After the department receives a complaint form, a division clerk or registration examiner enters information such as the complainant's name and address, the type of complaint, and the date filed, on a computerized system. The manual file of a complaint is then dated and sent to the division's consumer complaint unit.

The sergeant who supervises the consumer complaint unit assigns the cases chronologically. Once a case is assigned, the inspector contacts the parties involved and determines whether a violation of law or regulation has occurred and whether the division has jurisdiction to proceed.

Figure II-2. Division of Dealers and Repairers Complaint Processing Procedure.



Source: LPR&IC Staff Analysis.

Generally, the motor vehicles department has jurisdiction over questions on the quality of work performed by licensed businesses as well as bills and estimates. The Department of Consumer Protection regulates areas of false advertising by dealers and repairers as well as the "lemon law." If DMV receives complaints that fall within the jurisdiction of the Consumer Protection Department, it refers the complainant to that agency.

If it cannot be determined from the complaint form and phone calls whether a violation occurred, or if further investigation is needed, the case is referred to a field inspector. Field investigators attempt to resolve complaints through mediation; if unsuccessful, the inspectors may recommend the case for an administrative hearing. Hearing recommendations must be approved by one of the following: a lieutenant, the division chief, or the assistant division chief. After a recommendation for hearing is approved, the case information is entered on a computerized system. A separate department unit, adjudications, handles the scheduling of hearing dates and conducts the hearings.

Analysis of Complaint Process. Program review staff analyzed several aspects of the Dealers and Repairers Division complaint processing. First, trends in the number of complaints were examined. Table II-5 shows the number of complaints received, along with division staffing levels, the number of licensees, and the complaints per licensee and complaints per employee, over a four-year period. The overall number of complaints filed with the division has increased significantly, growing from about 5,000 in calendar year 1981 to almost 8,000 in calendar year 1984.

The table further shows that while the number of licensees has decreased since FY 81, the number of complaints has grown. Thus, the ratio of complaints to licensees increased from 6 complaints for every 10 licensees in FY 81 to 1 for each licensee in FY 84.

The increase in complaints per employee is even more dramatic. While the division staff has increased by 4 persons (12 percent) since FY 81, the complaints have risen by 2,790 (54 percent). As a result, the complaint-per-employee ratio increased from 152 in FY 81 to 209 in FY 84.

Also significant is the cost of resolving a complaint. Due to the increase in the number of complaints in the last four years, the actual cost of handling a complaint has decreased since FY 81--from \$83.81 in FY 81 to \$81.93 in FY 84. To compute the cost per complaint, the program review staff first estimated that three-quarters of the division's resources were devoted to resolving complaints. This estimation was based on the finding that three-quarters of the division's staff was assigned to processing complaints during 1984. This estimation was applied to previous year as well. Staff then

divided that figure by the number of complaints to arrive at a cost figure.

Table II-5. Dealers and Repairers Division: Complaint, Licensee, and Staffing Trends.

	FY 81	FY 82	FY 83	FY 84
No. Full-time Established Positions	34	34	37	38
Division Resources	\$576,881	\$616,304	\$702,347	\$868,679
No. Licensees	8,727	8,653	8,469	8,281
No. Complaints*	5,162	5,511	6,211	7,952
Complaints Per Licensee (Rounded)	.6	.6	.7	1
Complaints Per Division Worker	152	162	168	209
Cost per Complaint	\$83.81	\$83.87	\$84.81	\$81.93

* Data are kept on a calendar year basis.

Note: Complaints include cases where a licensee failed to comply with administrative licensing requirements.

Source: LPR&IC Staff Analysis.

To gauge customer satisfaction with the division's complaint-handling process, program review staff surveyed 157 recent complainants. The majority of consumers who responded to the mail survey indicated they were dissatisfied with the length of time it took to resolve their complaints as well as with the eventual results.

For example, of the 71 consumers who responded to the survey question concerning satisfaction with the length of time for handling complaints, 41 percent were satisfied while 59 percent were dissatisfied. Similarly, of those responding to the survey question concerning satisfaction with the resolution of their complaint, only 40 percent were satisfied. However, most of the respondents (70 percent) rated the courtesy of the inspectors as either excellent or good.

Processing times for 109 complaints were also examined by the program review staff. First, staff analysis showed that the majority of cases are closed by the consumer complaint unit without ever being assigned to a field inspector. For example, of the 7,730 cases resolved in calendar year 1984, 55 percent (4,253) were closed by the consumer complaint unit. Second, program review staff analyzed the data to determine the average length of time a complaint took at each stage of the process. The results are shown in Table II-6 below.

Table II-6. Average Time for Resolving Complaints at Each Step in Process.

Step	Average Days to Process
Step 1 = Date Received to Date Filed	5
Step 2 = Date Filed to Date Resolved in Consumer Complaint Unit	46
Step 3 = Date Assigned from Consumer Complaint to Date Resolved After Road Investigation	10
Step 4 = Total Time	61

Source: LPR&IC Staff Analysis of Dealer and Repairer Complaints.

As the table indicates, on average, the unit either closed a case, or assigned it to a field inspector, within 46 days. If the consumer complaint unit referred the case for field investigation, the case was resolved by the inspector in just over 10 days, on average. The overall processing time for the sampled 109 cases averaged 61 days.

To assess the resolution of complaints, program review staff analyzed the outcomes of the same 109 cases. The results of the staff analysis are summarized in Table II-7. The Dealers and

Table II-7. Complaints by Types of Resolutions (Percentages).

Complaint Category	Types of Resolutions					
	Complaint Withdrawn	No Violation No Juris	Violation Warning	Info/No Conclusions	Resolved/Per Deal. or Rpr.	Total
Car Sales	9 25	50 24	0 0	9 20	32 28	22
Repairs	11 63	36 35	7 27	16 70	29 52	45
Regulatory	3 13	56 41	24 73	3 10	15 20	34
Total	8	46	11	10	25	

Note: In each box, the number on top is the row percentage; the number on the bottom is the column percentage.

N=101

Source: LPR&IC staff analysis.

Repairers Division codes complaint types into one of 18 categories including: deposits on new/used cars; itemized bills and estimates; odometers; and car sales. To facilitate analyzing the complaint outcomes, program review staff collapsed these 18 categories into 3 general classifications: car sales; car repairs; and regulatory issues, which include dealer plate misuse and unlicensed locations. Eighteen types of resolution were also collapsed into five outcomes: complaint withdrawn; no violation/no jurisdiction; violation/warning; information/no conclusion; and resolved per dealer/repairer response. (For a full listing of complaint types and resolutions, see Appendix E.)

The data in Table II-7 indicate that those complaints considered consumer oriented--car sales and car repairs--were less likely to be resolved with a warning than those in the regulatory category. For example, only 27 percent of those cases resolved with a warning concerned car sales or repairs, while 73 percent were more regulatory in nature. Of all complaints, only 11 percent were resolved with a written or verbal warning. A much more likely outcome, based on the complaints sampled, was a determination of "no violation/no jurisdiction." Overall, 46 percent of the cases were resolved in this manner.

Department's Administrative Hearing Program

The hearing process is not an operation of the Dealers and Repairers Division. The department's adjudications unit operates the administrative hearing process. This unit adjudicates complaints against dealers and repairers as well as general public cases concerning license suspension resulting from: moving violation convictions; refusal to submit to a blood alcohol test; or possession of alcohol by minors. Program review staff examined the hearing process as it relates to dealer and repairer cases because it represents an important outcome for a number of consumer complaints.

As noted earlier, if a complaint cannot be resolved within the Dealers and Repairers Division, it may be recommended for an administrative hearing. Before any disciplinary action such as imposing a civil penalty or suspending or revoking a license can be taken, a licensee has the statutory right to an administrative hearing (C.G.S. Sec. 4-177). Section 14-64 of the Connecticut General Statutes provides the following grounds for taking disciplinary action against a licensee:

- violation of any provision of statutes governing activities of regulated licensees;
- failure to maintain records for a period of two years;

- failure to allow inspection of records by any representative of the commissioner of DMV, or the state or local police;
- making a false statement about the condition, prior ownership, or prior use of a vehicle; or
- not being qualified to conduct a licensed business.

Once a hearing is scheduled, the adjudications unit mails a hearing notice to the dealer or repairer as well as the complainant about six weeks in advance. Depending on the severity of the violation, the dealer or repairer is generally allowed to waive his or her right to a hearing and to stipulate to (agree to) the charges and penalties listed. This stipulation may occur at any time prior to the hearing. Hearings are adjudicated by six attorneys who work on a per diem basis. On average, each adjudicator works 38.8 hours per month.

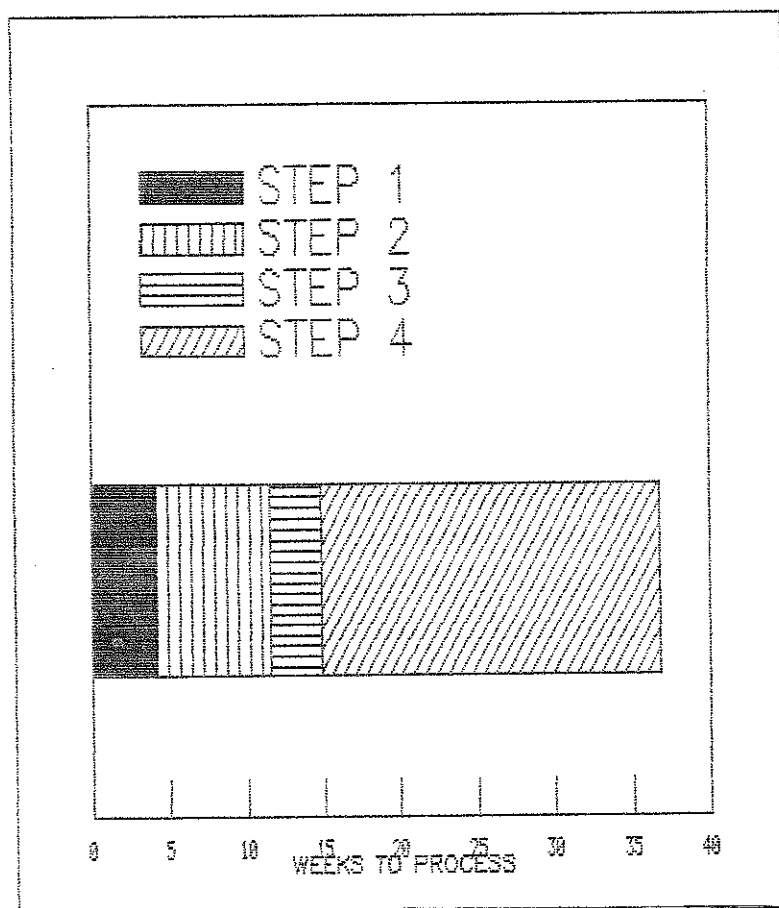
Program review staff examined the files of all dealer and repairer cases that were scheduled for a hearing during 1984. The processing time for these cases were separated into the following four steps:

- step one - from the date the complaint was filed to the date the complainant was first contacted;
- step two - from the date of first contact to the date of hearing recommendation;
- step three - from the date of the hearing recommendation to the date the hearing was approved; and
- step four - from the date the hearing was approved to the date of the hearing.

The average length of time for each of the four steps in the complaint-handling process is depicted in Figure II-3. The total processing time for all four steps averaged 37 weeks.

As shown in the figure, the average length of time for completing step 2, the investigation stage, is 7.5 weeks. The case files showed that an inspector averaged 2.24 phone contacts and 1.47 personal contacts, from the time a complaint was filed until it was resolved. Other activities that might be conducted as part of the inspector's investigation include research such as examination of title documents.

Figure II-3. Time to Process Complaints: Hearings.



Source: LPR&IC Staff Analysis.

The third step of the process, from hearing recommendation to hearing approval, took an average of about three weeks as Figure II-3 shows. By far the longest time in the process was waiting for the hearing to be scheduled, an average of just over five months.

The primary reason for delays in step four is the scheduling of complaint hearings by the adjudications unit. As previously mentioned, dealers and repairers cases comprise only one category of all administrative hearings. According to department staff, dealer and repairer cases are not a priority when setting up the hearing schedule. Further limiting the scheduling is the fact that dealers and repairers cases are heard only in Wethersfield, unlike most other cases that can also be heard in Hamden and Fairfield. Scheduling delays have resulted in a backlog of 142 dealer and repairer cases awaiting a hearing as of October 1985.

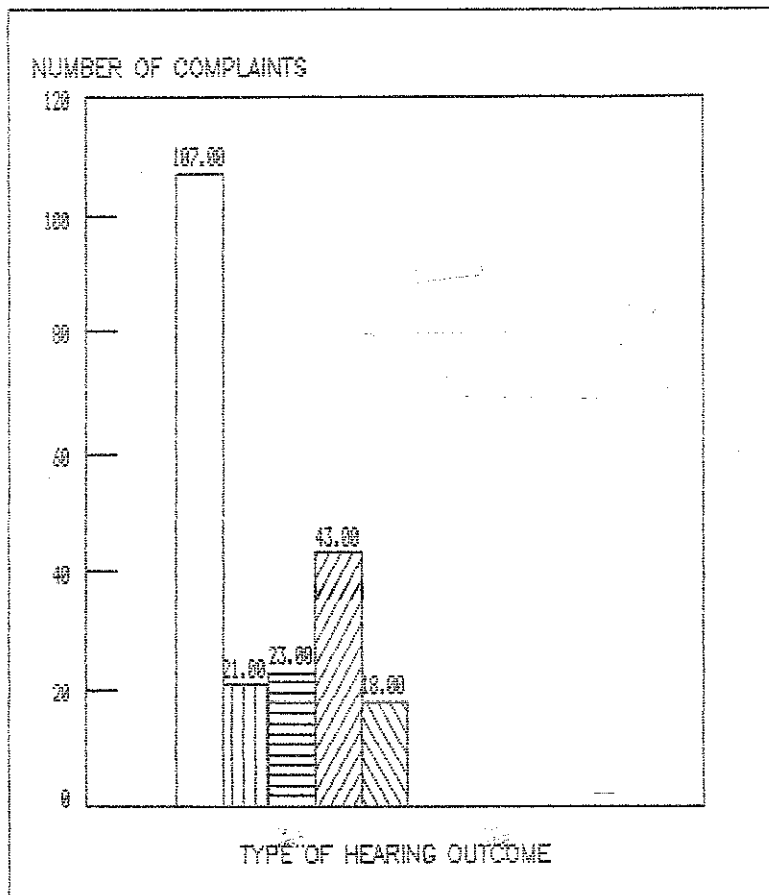
Examination of the 1984 hearing files showed that in 51.5 percent of those 212 cases with complete information, the dealer/-repairer stipulated to the charges. However, stipulations do not mitigate the scheduling problem since there is seldom enough time left to arrange for replacement hearings. The department has been discussing a change in the stipulation procedure to allow the dealer or repairer only a specific amount of time to agree to the charges, which would allow for replacement scheduling if agreement occurred. However, to date, no change in the procedure has been implemented.

The department has also attempted to lessen the backlog of dealer and repairer cases awaiting hearing dates through a personnel change. A former inspector, hired to work as an analyst in the adjudications unit, has responsibility for attempting to settle dealer and repairer cases before they reach a hearing. The adjudications analyst has had considerable success--settling approximately 85 cases (39 percent of all complaints approved for a hearing) from June, when the position was created, until October. However, very few of the cases were settled in enough time to schedule other hearings in its place.



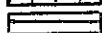


Program review staff also examined the outcomes of those cases scheduled for hearings in 1984. The results, assembled in the five categories, are shown below in Figure II-4. It should be noted that these outcomes in Figure II-4 are cumulative; in other words, one case could have more than one result. For example, a fine could be levied as well as a reinspection ordered.

As Figure II-4 indicates, 107 cases resulted in fines totaling \$43,575. Of that amount, \$21,075 resulted from cases involving "misuse of plates" rather than those involving "consumer" complaints. In only 18 cases was a suspension or revocation decision issued. In 7 of those cases the suspension was held in abeyance, meaning the suspension would not take effect if the licensee did not repeat violations.

Figure II-4. Dealer and Repairers Hearing Outcomes.



Key:

-  Fines
-  Correct for Resolution
-  Withdraw Complaint
-  Acceptable Compliance
-  Revocation/Suspension

Source: LPR&IC Staff Analysis.

One hearing result, which can occur in some other states but is not provided for in Connecticut statutes, is a judgment of restitution to the consumer. The Dealers and Repairers Division in Connecticut does attempt to obtain monetary or in-kind restitution. During the first six months of 1985, those efforts resulted in a dollar value of \$134,450. However, the division's authority in this area is informal; it is neither statutorily provided nor the result of the administrative hearing process.

CHAPTER III

FINDINGS AND RECOMMENDATIONS

Introduction

The major focus of the recommendations concerning the Dealers and Repairers Division is to improve customer service without adding new responsibilities or increasing staff levels. Many of the recommendations to improve the division are not isolated to dealers and repairers operations, but depend upon implementation of suggested changes within the department's central administration.

Organization

Given the size of and functions performed by the Dealers and Repairers Division, the program review committee finds that it should not be a separate division, but rather a departmental section. The Dealers and Repairers Division is currently the smallest within DMV with a total staff of 38 persons. The division is headed by a chief and assistant chief although its staffing levels are less than some of the department's sections, which are under divisions organizationally. For example, the Title section has a staff of 107 persons and the Registry section employs 75 persons. In fact, the Dealers and Repairers Division staffing level is similar to a couple of the branches--Bridgeport has a staff of 29 and Hamden, 36.

Further, the division chief of Dealers and Repairers reports directly to the commissioner while other units with regulating functions report to division chiefs. This is only one of a number of enforcement areas under the department's purview; anti-theft operations and driver improvement efforts are examples of others. However, these latter functions are not performed by separate divisions.

1. The Legislative Program Review Committee therefore recommends that the current Dealers and Repairers Division be made a section and organizationally placed under the Department of Motor Vehicles Programs Bureau, Regulation and Enforcement Division. The section should be headed by an assistant division chief. The current staffing levels of the division should remain the same under the section.

The Legislative Program Review and Investigations Committee in its agency management recommendations, proposed that the Department of Motor Vehicles be reorganized to better reflect program responsibilities and to streamline reporting systems. Throughout the remainder of this report, the Dealers and Repairers

Division will be titled a section when referred to in a recommendation, while being called a division in the text.

Phone Center and Inspectors' Duties

As discussed in the report on central office operations, the Department of Motor Vehicles' phone system is decentralized and inadequate. The current system fosters confusion among the public, generates multiple rather than single calls to have questions answered, and provides poor access in some of the more heavily populated regions of the state. In addition, staff generally perform other duties in addition to answering the phone.

These same phone system problems are found in the Dealers and Repairers Division as well. Currently, two inspectors answer the phone in the division's main office and carry out other clerical-type functions, such as servicing the counter when customers come in. The division's complaint unit, usually staffed by eight inspectors, also answers incoming calls concerning complaints in addition to making outgoing calls. When the lines to that unit are busy, the calls are electronically forwarded to phones in the emissions unit. No record exists of the total number of calls to the Dealers and Repairers Division; however, the calls forwarded to the emissions unit concerning dealers and repairers averaged 1,120 calls a month for the first six months of 1985.

2. To improve phone access to and provide centralized information about the dealers and repairers section and eliminate the necessity for inspectors to answer phones and perform other clerical duties, the Legislative Program Review and Investigations Committee recommends that all phone calls concerning dealers and repairers functions be answered at a central phone center with toll-free access for all state residents. Personnel answering the phones should all have inquiry access to both computerized licensing information and the dealers and repairers' complaint file.

In addition, the program review committee recommends that all inspectors be assigned to either the consumer complaint unit or one of the inspection programs--plate, road, junkyard, or locations--and not to clerical duties such as answering the phone or staffing the counter in the dealers and repairers' main office.

These recommendations will free up two inspectors to conduct inspections as well as permit those eight inspectors working in the complaint unit to focus on cases, rather than answering phones. This should result in a lower case backlog and more timely processing of complaints, without assigning additional personnel to those functions. In addition to the staffing benefits, a centralized phone center offers, consumers should also experience far fewer busy signals and more prompt information concerning licensing and complaint information.

Performance Monitoring

During the course of this review, the program review staff often found it difficult to evaluate the performance of the Dealers and Repairers Division because it does not keep formal workload statistics or have formal performance monitoring measures.

While the division's computerized complaint system does generate data on the number of cases resolved, the data are not totally reliable. For example, the computerized data base understates the actual workload of individual inspectors. This occurs because cases resolved in the consumer complaint unit without investigation by a road inspector are not attributed to specific inspectors. Instead, workload figures on cases resolved in the consumer complaint unit are kept informally by each inspector who works on them. For those inspectors permanently assigned to the consumer complaint unit, the computer information would show no complaint assignments or resolutions.

The division also does not set achievable workload standards for its inspectors to meet. No quotas on the number of complaints an inspector should process within a time period are established. While inspectors in the consumer complaint unit are assigned complaints in batches of 10, no deadline is set for processing complaints although division officials state that an inspector's progress in resolving complaints is monitored.

Setting standards for and monitoring performance of road inspectors is equally informal. The sergeants keep track of cases referred for road investigation in notebooks and inform the inspector if he/she has too many unresolved complaints.

Because the division does not establish performance measures or keep workload statistics, it cannot effectively manage personnel, allocate resources, and set division objectives. For example, it would be difficult for the division to determine whether the current case backlog and prolonged processing time for complaints is due to a tremendous influx of new cases or because inspection staff is not working to capacity.

Statistics concerning other division functions are even more informal than those of the complaint system. Other than manual records kept by two sergeants on plate and location inspections, no figures are available on the number of times checks were done or what violations were found.

3. The Legislative Program Review and Investigations Committee recommends that the dealers and repairers section be monitored based upon a series of performance indicators established by the planning and operations research unit. Those indicators should

include, but not be limited to: number of complaints assigned and resolved by each inspector at each stage in the complaint process; average length of time to resolve complaints both by type and by inspector; and number of licensing applications reviewed by clerical staff and average length of time for approval.

The planning and operations research unit should also establish workload standards for the Dealers and Repairers section including the following:

- number of complaints an inspector should resolve in a day;
- number of plate inspections an inspector should complete in a day;
- number of location inspections an inspector should complete in a day; and
- number of license applications a registration examiner should complete in a day.

These standards should be included in the annual evaluation conducted on each employee.

These recommendations would furnish information invaluable to managers in overseeing the section's work. Section managers would be able to set realistic goals and objectives, and evaluate the workload among the section's functional areas to appropriately assign staff. The information would also enable managers to evaluate individual performances against workload standards and determine why a backlog might occur in a given area.

Outside the section, the department would find such information useful in examining trends, and in assessing its capability of handling new legislative mandates or in making requests for resources to keep abreast with current workload.

Computerized Information

Currently, only the complaint system in the Dealers and Repairers Division is computerized. Although the department has discussed automating licensing information for a number of years, it is just now in the planning stage. The department created an ad hoc committee, the Applications Transfer Team (ATT), which issued a report in October 1985.

Presently, an applicant for a dealer's or repairer's license must file several documents with the division for review and approval. Reviewing several documents means that the examiner is more likely to miss information and that errors may occur. Maintaining

such voluminous paper files also creates a severe space problem for a division already limited in its work area. Other problems with the manual licensing information system, cited by the department's planning team, include redundant filing of forms, repetitive typing, and too much supervisory time being spent on work distribution.

While all these problems impact both department and licensee, the lack of automation ill-serves the consumer as well. The department has a policy that if a licensee goes out of business, he/she must resolve any outstanding consumer complaints before being granted another license. However, since all files on previous licensees are manually kept, it is extremely difficult to check on an applicant's prior record to ensure that he/she has no prior violations or outstanding complaints. No data are available on how often licenses are approved for applicants with complaints outstanding.

4. To streamline the licensing application procedure, ease record-keeping, and improve the section's ability to track applicants with prior licensing violations, the program review committee recommends that all licensing information related to dealers and repairers should be computerized by January 1, 1987. Included on the automated system should be: licensee name(s), address(es), license number, business location, insurance information, and date of last inspection. All information should be maintained for at least five years.

The proposal for automating the licensing information system issued by the department's study group does not set an implementation date. Since the system is now totally manual and time-consuming, the program review committee believes it is imperative that the recommendation be implemented by the above date. The implementation of a computerized system will allow faster access to licensees' files, be less cumbersome and duplicative, and will provide better matching of licensee and complaint information. Staff productivity, not only for the licensing procedures but for related functions dependent on the system (e.g., plate inspections and complaint filing), will be markedly enhanced when this system is activated.

Staggered Licensing

Also affecting the division's current workload is the manner in which it has implemented the statutory requirement to stagger license renewals. As previously stated, prior to 1984 all licenses expired during two different time periods--manufacturers in June and all other licenses in February. The legislature, in Public Act 84-391, mandated staggered license renewals for all licensee categories except manufacturers, which continue to expire in June.

Instead of implementing a system whereby licenses expire throughout the year, the division has devised a limited version of staggered licensing whereby licenses now expire during five different months.

Because of the surge of renewals that come due in these five months, the division has submitted a budget request for FY 86, similar to requests in prior years for additional resources to handle the increased workload during those renewal months. In general, regulatory and licensing agencies use all 12 calendar months to implement a staggered renewal system. For example, licenses may expire by each applicant's date of birth or the month in which initial application was made. Further, program review staff believes that the intent of P.A. 84-391 requires staggering within each license category, which is not fulfilled by the division's current implementation.

5. Therefore, the Legislative Program Review and Investigations Committee recommends that the dealers and repairers section establish a system of staggered licensing whereby all categories of licenses lapse throughout the year and not at specified expiration dates.

This recommendation will ensure full compliance with the legislature's intent, more evenly distribute the section's renewal workload throughout the year, and eliminate the need to hire additional help to cope with the work peaks created by the present renewal schedule. A comprehensive staggered licensing system should also reduce waiting times for licensees at renewal time.

Complaint Process

One of the major problems program review committee found in the Dealers and Repairers Division is the way it processes complaints. The complaint process is not established in regulation nor is there a procedures or policy manual for the dealers and repairers' inspectors. A three-page policy statement issued to the division's inspectors outlines the process. Because no formalized procedure exists, the complaint process is inconsistent and leaves much to the discretion of the individual inspector.

The time required to resolve a complaint in the division is needlessly prolonged. For example, based on a sample of 1984 cases, 4 to 4.5 weeks were required from the time the department received the complaint until the division contacted the complainant. Further, during August 1985, program review staff observed inspectors working on cases that were two months old. Because complainants are not contacted for such a lengthy period, a number of phone calls are generated to the division by customers wondering if their complaint forms were received.

If the complaint was not resolved in the consumer complaint unit, but referred to a field inspector for further investigation, the case averaged an additional 7.5 weeks. Delays in the complaint process is an understandable source of customer dissatisfaction. In the program review committee's survey of 157 recent complainants, 59 percent of the respondents said they were dissatisfied or very dissatisfied with the length of time it took to resolve their complaints. The same percentage (59%) of respondents were dissatisfied or very dissatisfied with the way their complaints were resolved.

As noted earlier, program review analysis of a sample of 109 complaints showed that 46 percent of the cases were closed with a finding of "no violation" or "no jurisdiction." However, since no screening of the complaints takes place when the complaint forms are received, a month passes before the consumer is informed that the complaint cannot be processed further because of "no violation" or the department has "no jurisdiction." Further, the complaint form does not inform the consumer of which complaints come under the Department of Motor Vehicles' jurisdiction and which do not, nor does the form explain which areas are considered violations and which are not.

Currently, the division's policy statement indicates that before a case is recommended for a hearing, it must be approved by one of the following: a sergeant, a lieutenant, the assistant division chief, or division chief. While all cases may now be subject to supervisory review before being closed out, the policy statement is not clear on whether review is required in all instances.

Program review staff also found a problem in the way complaints are filed. The division codes licensees' failures to maintain insurance in the complaint system under the same category as misuse of plates. This provides misleading complaint information for two reasons. First, 866 of the 2,115 misuse of plates violations in 1984 actually concerned lapsed insurance. Second, data derived from complaint information, such as length of time to resolve a complaint, could be misleading due to inaccurate classification of complaints. For example, based on the staff sample of 109 cases, the average processing time is 61 days. However, if the cases involving misuse of plates are excluded, the average time to process a complaint where a consumer is involved jumps to 73 days.

6. To correct the regulatory deficiencies noted above, the Legislative Program Review and Investigations Committee recommends the Department of Motor Vehicles should establish its complaint process in regulation, and include the following:

Receipt. The Department of Motor Vehicles should receive all complaints concerning the operations of any licensee regulated by the department's Dealers and Repairers section.

Complaint Form. All complaints should be on a department form as prescribed by the commissioner. The form should include a tear-off portion to be immediately returned to the complainant once the form has been received by the department.

The complaint form should also list those complaint areas that fall under the department's jurisdiction. For areas not under DMV jurisdiction, the complaint form should indicate the agency or department with responsibility for that complaint area.

Complaint Filing. Only those complaints generated by consumers or those violations found as a result of the Dealers and Repairers section plate inspection program should be entered on the computerized complaint files. Failure on the part of a licensee to comply with administrative requirements, such as insurance coverage, should not be entered on the complaint system.

Complaint Screening. The complaint form should be screened as soon as it is received in the Dealers and Repairers section. Section staff should dismiss any complaint in which the form clearly indicates that the allegation, if substantiated, would not constitute a violation of any statute or regulation.

The section should appropriately refer any complaint in which the allegation, if substantiated, would constitute a violation under the jurisdiction of another agency or department. The complainant should be notified immediately of the action in either case. All other cases should be referred for further investigation within the section.

Complaint Investigation. All complaints should first be reviewed within the consumer complaint unit of the Dealers and Repairers section. The section shall establish a policy whereby the oldest complaints are investigated first.

Closing Complaints. After a complaint has been closed, either in the consumer complaint unit or after field investigation, the case should be reviewed by one of the following--a sergeant, a lieutenant, or assistant division chief--for thoroughness of investigation and appropriateness of resolution.

The complaint procedure recommended is similar to those adopted by the program review committee for regulatory bodies reviewed in prior years. While some of the steps are already implemented by the division, those measures are not formalized and are too discretionary.

The recommended procedure will reduce the number of inappropriate complaints received by the Dealers and Repairers section and ensure prompt notification to the consumer that his/her complaint has been received. Reports generated from the computerized complaint file will also be more accurate since they would contain only "consumer" complaints or plate violations found through the plate inspection program and not administrative irregularities on the part of licensees.

Finally, the supervisory measures in the procedure will provide some assurance that complaints are being investigated in a consistent manner and are being resolved appropriately.

Stipulation Process

Cases that cannot be resolved within the Dealers and Repairers Division may be recommended for an administrative hearing. A licensee has the statutory right to an administrative hearing before the department can impose a disciplinary sanction. The department's adjudications unit operates the administrative hearing process to settle complaints against dealers and repairers, as well as cases regarding license suspensions for various motor vehicle violations. As of October 1985, there was a backlog of 142 dealer and repairer cases alone awaiting hearing.

In 51.5 percent of 212 complaint files for 1984 with complete information, the dealer/repairer stipulated to the charges. Despite the fact that stipulation affects such a large portion of the hearing cases, it is an informal process. The stipulation may occur at any time prior to the hearing. The result is that although a great number of cases are stipulated, the timing and informality of the process do not lessen the hearing backlog. Stipulations are not reached in enough time to schedule other hearings, so hearing time slots go unfilled while the backlog grows. Further, since the adjudicators are paid a per diem, they are paid whether cases are heard or not.

As indicated in Chapter II, the department's efforts to lessen the hearing backlog have had a limited impact to date. It is crucial that the department start to reduce the backlog. To achieve this, the stipulation process needs to be formalized and consistent.

7. The Legislative Program Review and Investigations Committee, therefore, recommends that the Department of Motor Vehicles establish in regulation a process whereby an administrative hearing may be waived. The process should include, but not be limited to, the following. Once a case is approved for a hearing, it should be reviewed by the adjudications analyst to assess its appropriateness for a waiver. If a waiver is deemed appropriate, then a written notice should be sent to the dealer or repairer indicating that the

licensee has 15 days to waive the right to a hearing. If the respondent does not reply to the waiver within the required time, or if he/she refuses to stipulate, then the case would be prepared for a hearing.

The program review committee also recommends that hearings on dealer and repairer cases be heard in Hamden and Fairfield, as well as Wethersfield, to provide more easily accessible services to customers throughout the state.

Dealer Plates

By virtue of their businesses, dealers and repairers are statutorily granted a certain number of special marker plates. There are currently 31,356 marker plates issued to Connecticut licensees regulated by the Dealers and Repairers Division, according to department data.

The issuance of dealer plates results in a number of problems. First, since Connecticut no longer taxes inventory, the method for collecting property taxes on cars with dealer plates is largely left to the discretion of a municipality's tax assessor. Second, the public perceives that dealers are abusing their privilege to use dealer plates. Third, given the number of plates in existence, it is very difficult for division personnel to take inventory at dealer businesses and to examine how plates are being used.

As a result of complaints to legislators concerning dealer plate abuse, the General Assembly passed Public Act 84-391, limiting the number of plates available. The program review committee found that to date the law appears to have had little effect on the number of plates issued -- the number of plates has declined only 3.6 percent since August 1984.

To ensure that the law achieves the desired limitation of the number of dealer plates in use, the program review committee recommends a fine-tuning of the way the plates are issued.

8. Therefore, the Department of Motor Vehicles should:

- establish criteria by which a licensee may be granted additional plates beyond the statutory limits; and
- consider either retail sales or wholesale sales (not both) as the basis for issuing dealer plates.

As the law has been in effect a year, the department should be able to generate the data necessary to arrive at most dealers' base number of plates, avoiding the issuance of additional plates because

of incomplete information. With this problem resolved, dealers should be required to show why they need additional plates. Since the law was passed to limit the plates in use, the department should establish clear-cut, restrictive standards requiring a dealer to show hardship if the additional plates are not issued.

Further, the division's application for plates currently allows the dealer to base requests on both the number of retail and wholesale transactions made in a year. The bulk of most dealers' business is based on retail sales; however, to eliminate wholesale transactions altogether as a basis for issuing dealer plates might pose a hardship for wholesale dealers. The program review committee determined that basing plate issuance on both types of sales transactions in a way allows dealers to duplicate transaction data and results in more plates being issued. Therefore, the recommendation to base the issuance of plates on either type of transaction will limit dealers to the area of their business with the greatest volume. In addition, since the department does not have the data to develop wholesalers' volume of transactions, the onus should be on the wholesale dealer to provide such information.

Restitution To The Consumer

Program review staff analysis of the 212 dealer and repairer cases that were scheduled for hearing during 1984 showed the following outcomes:

Table III-1. Department of Motor Vehicles--1984 Hearing Outcomes

Fines	107
Acceptable Compliance	43
Withdrew	23
Correct for Resolution	21
Revocation/Suspension	18

Source: LPR&IC Staff Analysis of Hearing Files.

As was noted earlier, Connecticut statutes provide that a licensee must be granted a hearing if desired before a license may be suspended or revoked or a fine imposed. However, as the table indicates, very few licenses are suspended or revoked, probably

since this penalty is viewed as too harsh for most violations. In addition, although there were a considerable number of fines levied, fines imposed in "consumer" complaint cases go to the state and not to the consumer. The consumer may still be left without adequate resolution to his/her complaint.

In some other states, such as California and New York, administrative hearings provide for a judgment of restitution to the consumer. Although the Dealers and Repairers Division in Connecticut does attempt to obtain monetary or in-kind restitution on an informal basis, the program review committee determined that similar formal options should be available in this state.

9. To provide the department with the formal authority to award restitution to the consumer, the program review committee recommends that the department be statutorily granted, through its administrative hearing process, the authority to impose upon a licensee a decision of restitution--either monetary or in-kind--to the consumer.

This should improve the manner in which complaints are resolved throughout the complaint process. Currently, when a violation is found, the division attempts to resolve the complaint in the consumer's best interest, informally seeking restitution for the complainant. However, dealers and repairers may be somewhat reluctant to offer restitution to the consumer, preferring to take a chance with an adjudicator hesitant to impose the harsh penalties of suspension, revocation, and even stiff fines.

If, on the other hand, a judgment of restitution were one of the decision options an adjudicator could impose, a dealer/repairer might be more responsive to settling a case through consumer restitution. This would decrease the total number of cases scheduled for hearing as well as resolving more cases to consumers' benefit.

APPENDICES

APPENDIX A

AGENCY MANAGEMENT AND CENTRAL OPERATIONS

SUMMARY

The Legislative Program Review and Investigations Committee conducted a ten-month performance audit of the Department of Motor Vehicles (DMV) with the goal of improving the department's customer service, operational efficiency, and management. The committee audit resulted in four separate reports: 1) Agency Management and Central Operations; 2) Branch Office Operations; 3) Title Operations; and 4) the Dealers and Repairers Division. These reports contain descriptive information, analysis, findings, and recommendations concerning department operations.

During its review of the department's management and central operations the Legislative Program Review and Investigations Committee found a lack of systematic planning, performance monitoring, staff evaluation, and training. These management problems were compounded by the organizational structure of the department. The program review committee also found that productivity and customer service needed improvement through the centralization and automation of the department's phone system and document processing functions. The need to computerize existing data files and enter information more quickly in the department's computer records was also cited.

RECOMMENDATIONS

To address these problems the Legislative Program Review and Investigations Committee recommends that:

1. The department be organized into two bureaus, programs and administration, each headed by a deputy commissioner who reports directly to the commissioner. Within the programs bureau, there should be the following divisions, each headed by a division chief:

- customer services: field operations, responsible for all public services provided at branch offices including registration, title, photo-license, driver licensing examinations and vehicle inspections;
- customer services: central operations, responsible for all centrally provided public services including operating a telephone information center, issuing titles, and processing of transactions not generated by walk-in customers, refunds, corrections, and requests for copies of records;

- emissions, responsible for overseeing operation of the state auto emissions program; and
- regulation and enforcement, responsible for programs to control and improve drivers, the regulation of motor vehicle businesses, and the enforcement of motor vehicle laws and agency requirements concerning such matters as public service vehicles, anti-theft measures, and no-fault insurance.

Within the Administration Bureau, there should be the following offices, each headed by a director:

- fiscal affairs, responsible for budgeting and accounting functions;
- information systems, responsible for data processing and the creation and maintenance of automated information systems;
- adjudications, responsible for operating the agency's administrative hearing process;
- public information, responsible for public relations and media liaison matters;
- policy and procedures, responsible for developing and interpreting laws, regulations, and guidelines concerning motor vehicles matters;
- human resources, responsible for personnel, payroll, and staff development matters; and
- support services, responsible for mail, stock and inventory, and property management matters.

In addition to the divisions and offices outlined above, there should be:

- a planning and operations research unit, responsible for performance monitoring and long range planning; and
- an internal audit unit, responsible for assuring the financial integrity of department activities.

The directors of the planning and operations research unit and the internal audit unit should report directly to the commissioner.

2. The Department of Motor Vehicles develop a five-year plan by January 1, 1987. The plan should encompass all department operations and address at least the following areas: customer service; data processing; facility improvement; and employee training. The plan should prioritize all programs proposed and provide implementation strategies for each proposal that include measureable objectives, time frames, and cost benefit analyses whenever possible. The plan should be annually updated and submitted to the General Assembly and the Governor in conjunction with the department's budget requests. The annual update should include an explanation of any delays in implementing proposed programs.

3. The Department of Motor Vehicles should establish a planning and operations research unit to be operational by January 1, 1987. This unit should be responsible for:

- establishing performance indicators for all units;
- assisting units in developing workload measures;
- collecting and analyzing data on department performance including trends and changes in customer service level;
- preparing monthly and annual reports of performance indicators for unit managers;
- analyzing resource needs, costs, and benefits of program proposals;
- monitoring and assisting in the implementation of planned programs; and
- providing technical planning assistance to the department.

4. The planning and operations research unit should consist of four staff members and a director. The director should report directly to the commissioner. The director should have work experience in at least two of the following areas: management information systems; statistical analysis; strategic planning; and operations research. Each staff member should have work experience in at least one of the above areas and all four areas of expertise should be represented on the unit's staff. In addition, the current management analysis unit should be incorporated within the planning

and operations research unit under the supervision of the planning and operations research director.

5. The Department of Motor Vehicles should develop a system to annually evaluate the performance of all staff members. Pay increases for managers should be based on the manager's effectiveness in implementing projects outlined in the department's budget and long-term plans. Job-specific goals should be established for all department employees and annual evaluations and pay increases should be based on the achievement of these goals.

6. The Department of Motor Vehicles should establish a program for initial and continuing in-service training and career development opportunities for all levels of staff throughout the agency.

6a. A director of training and staff development responsible for developing and implementing this program should be hired by July 1986.

6b. The director should develop and implement by December 1986 a program for training part-time branch office employees.

6c. The training director, with the assistance of the planning and operations research unit, should develop an annual plan that:

- assesses training needs;
- prioritizes training needs;
- outlines programs to meet those needs; and
- evaluates the effectiveness of previous training efforts.

6d. The first training plan should be submitted to the commissioner on July 1, 1987, and should include a description of the activities designed to prepare branch office staff for point-of-transaction data entry.

7. In view of the problems the current phone system creates, the Department of Motor Vehicles should establish a centralized phone center that will provide statewide toll-free access to a single department number. Within two years, all direct outside phone lines to the central office should be eliminated and calls should be answered at the centralized phone center. Also within two years, the department should set up a pilot program whereby a separate toll-free number would be available 24 hours per day to deliver recorded messages concerning general information.

Within three years, the department should eliminate all direct outside phone lines to the branch offices and those calls should

also be answered at the central phone center. Personnel staffing the phone center should have access to all computerized information systems.

8. The Department of Motor Vehicles should create a centralized documents processing unit to process all transactions not generated by walk-in customers. By October 1, 1986, the unit should be fully automated to process all mail-in registration renewals. This unit should process all transactions not generated by walk-in customers by October 1, 1987. In addition, by the same date, the department should pilot its "point-of-transactions" data entry registration system in this unit.

9. The Department of Motor Vehicles should implement a point-of-transaction data entry system in the branch offices by January 1991. A consultant should be hired to study the type of system needed by the department, provide an implementation plan, and estimate its cost. A report of the consultant's study and recommendations should be submitted to the General Assembly and the governor by July 1987.

10. The Department of Motor Vehicles should automate the following functions by July 1987:

- delinquent property tax;
- suspended registrations;
- driver license examination appointments;
- vanity plates;
- payroll;
- personnel records;
- inventory; and
- waiting time data.

APPENDIX B

LPR&IC Staff Cost Analysis of Recommendations

Many of the Legislative Program Review and Investigations Committee recommendations resulting from the performance audit of the Department of Motor Vehicles can be achieved without any additional cost by improving department procedures and reallocating existing staff. However, some of the recommendations require new staff and equipment for implementation. Cost estimates for these are calculated below. Expenditures already outlined in department plans are not included in the following calculations.

One-time costs for equipment and temporary staff recommended in all four performance audit reports are estimated to total approximately \$3.25 million and would be expended over a five-year period. With these expenditures, the motor vehicles department could: reduce the title backlog; automate and upgrade the mail processing function; automate branch office reporting; purchase a state-of-the-art phone system; and initiate a point-of-transaction data entry system.

Total recurring costs, primarily salaries, associated with Legislative Program Review and Investigations Committee recommendations from all four DMV audit reports range between \$1.3 and \$1.5 million. This level of new funding would provide the department with about 70 to 90 additional staff. Funding of these new positions would permit: faster title service; reduced branch office waiting times; more convenient services through expanded office hours; and development of internal training programs. In addition, the expanded staff would allow for the establishment of a planning and performance monitoring unit, more efficient central documents processing, and operation of a state-of-the-art phone system.

The cost of recommended improvements should be evaluated in light of the department's limited expenditures in recent years. In constant dollars, the Department of Motor Vehicle's budget increased by only 2.9 percent from FY 76 to FY 83. The department's overall budget increase from FY 76 to FY 85 lagged behind the average for all state agencies. During this 10-year period, the department's budget increased by 19.1 percent while the state average was 26.2 percent. In addition, the department has not spent all of its appropriated funds; since 1976, the Department of Motor Vehicles has lapsed approximately \$7.5 million of its appropriated budget.

Costs to improve customer service should also be considered in light of the increases in motor vehicle fees scheduled over the next six years. Increases in registration, operator license and

other motor vehicle fees are summarized in Table B-1. Revenues from these fees, which are projected to total more than \$220 million in 1993, are also shown in the table.

Cost Estimates: Agency Management and Central Office Operations

Planning and Performance Monitoring

Additional Staff Required: 5

1 Director @ \$50,000

4 Analysts @ \$40,000

Total Recurring Cost: \$210,000 annual salaries

Training Program

Additional Staff Required: 1

1 Training Director @ \$36,000

Total Recurring Cost: \$36,000 annual salary

Phone Center

Additional Staff Required: 33.5

(Assumes that central office staff currently dedicated to answering phones are transferred to the phone center.)

32.5 Customer Service Operators @ \$14,500

1 Phone Center Supervisor @ \$28,000

Equipment Required:

Hardware \$250,000

Terminals \$ 48,000

Software \$100,000

Other Requirements:

"800" line annual service charge @ \$48,000

Total Recurring Cost: \$547,250 annual salaries and service charge

Total One-Time Cost: \$398,000 (equipment)

Central Documents Processing

Additional Staff Required: 10 (maximum)
10 Reg. Exam I @ \$15,500

Equipment Required:
2 Remittance Processors @ \$100,000

Total Recurring Costs: \$155,000

Total One-Time Cost: \$72,000
(2 new processors cost of \$200,000 - current equipment appropriation of \$128,000)

Point-of-Transaction Data Entry

Additional Staff Required: Consultant
Consultant study @ \$100,000
(Expended during 1986)

Systems Requirements: \$2.5 million
Includes hardware, software, personnel time including training
(Expended 1986 - 1991)

Total One-Time Cost: \$2.6 million
(Expended 1986 - 1991)

Cost Estimate: Branch Office Operations

Staffing to Raise Capacity Utilization

Additional Staff Required: 49
49 Registration Examiners @ \$15,500

Total Recurring Cost: 0
Assumes that the following existing branch staff are made available for customer service by centralizing:

• mail renewal processing	= 6
• dealer drop-off work	= 16
• phone information	= 27
Total	49

Expand Branch Office Hours

Additional Staff Required: equivalent of 15-33 FT positions
Under "Flex Time" schedule: 15 reg. exam. positions @ \$15,500
Under current staffing patterns: 33 reg. exam. positions @ \$15,500

Total Recurring Cost: \$217,500 - \$478,500 annual salaries (final cost at end of 3-year phase-in period)

Automate Branch Reporting

Equipment Required: 16 personal computers (one per office) @ \$9,600

Total One Time Cost: \$134,400 (16 computers cost of \$153,600 - current appropriation for equipment, \$19,200)

Hire Third Field Supervisor

Additional Staff: 1
1 Branch Office Supervisor @ \$32,000

Total Recurring Cost: \$32,000 annual salary

Cost Estimates: Title Operations

Title Section Staffing

Additional Staff Required: 9 (5 temporary)
4 FT title examiners @ \$17,000
5 FT title examiners @ \$17,000 for 6 months

Total Recurring Cost: \$70,000 annual salaries

Total One - Time Cost: \$43,750 (temporary salaries)

Long-run (over next 3 years) personnel savings: \$108,800
Assumes the following positions saved:

- 1 title examiner position @ \$17,000 from transferring phone calls to phone center
- 2 title examiner positions @ \$17,000 from implementation of on-line title files
- 3.4 title examiner positions @ \$17,000 from implementation of point of transaction data entry

Cost Estimates: Dealers and Repairers

Recommendations concerning Dealers and Repairers Division do not require any additional staff or equipment that is not already being planned by the department.

Table B-1. Department of Motor Vehicles Projected Revenue Increases 1985 - 1993.

	FY 85*		1992/93 Project.		1992-93 Project.	
	<u>Fee</u>	<u>Revenues</u>	<u>Fee</u>	<u>Revenues</u>	<u>Fee & Increase</u>	
Operators License	(\$26.50)	\$16,036,817		(\$42)	\$ 31,922,226	61%
Registrations	(\$50)	\$82,556,753		(\$80)	\$135,556,753	60%
Titles	(\$11)	\$ 5,057,448		(\$25)	\$ 16,456,250	127%
Inspections	(\$11)	\$ 1,619,206		(\$25)	\$ 5,502,875	127%
Copy Records	(Varied)	\$ 3,347,903		(Varied)	\$ 8,369,757	n/a
License Exams	(\$15)	\$ 1,506,535		(\$36)	\$ 5,600,412	140%
Dealer & Repairer Licenses	(Varied)	\$ 2,088,536		(Varied)	\$ 5,283,996	n/a
Other Motor Vehicle and Transportation Fund Receipts	(Varied)	\$ 7,153,145		(Varied)	\$ 11,731,158	n/a
TOTAL	\$119,366,343		\$ 220,423,427			

Notes: Excludes issues that are dedicated to special funds, e.g., boats and emissions.

* Fees are as of July 1, 1985; revenues are those collected as of June 30, 1985.

APPENDIX C

LEGISLATIVE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE

Survey of Customer Satisfaction with DMV
Dealers and Repairers Division

N=72

1. How did you find out that the Department of Motor Vehicles, Dealers and Repairers Division, was the proper place to handle your complaint?

18% The Department of Consumer Protection referred me

5% The Better Business Bureau referred me

(The dealer or repair shop had a sign indicating where to call

10% (Someone who worked at the dealer's or repair shop told me where to call

4% A pamphlet from the Department of Motor Vehicles informed me about where to call

63% Other (please tell us what that was)

2. How satisfied were you with the length of time it took to resolve your complaint? (Check one only)

13% Very satisfied

28% Satisfied

27% Dissatisfied

32% Very dissatisfied

0% Don't know/no opinion

3. How satisfied were you that the Dealers and Repairers Division thoroughly investigated your complaint? (Check one only)

26% Very satisfied

32% Satisfied

14% Dissatisfied

26% Very dissatisfied

0% Don't know/no opinion

4. How satisfied were you with the way your complaint was resolved? (Check one only)

18% Very satisfied
23% Satisfied
15% Dissatisfied
44% Very dissatisfied
0% Don't know/no opinion

5. How would you rate the courtesy of the inspector(s) of the Dealers and Repairers Division with whom you dealt while your complaint was being resolved? (Check one only)

47% Excellent
23% Good
13% Fair
10% Poor
7% Don't know/no opinion

6. Besides filing your complaint with the Dealers and Repairers Division, did you take any other action against the dealer or repairer either at the same time or afterward? (Please check the most appropriate response)

19% Yes, I also filed suit in small claims court
0% Yes, I filed an appeal since I did not like the decision of the hearing officer
38% No, I decided not to take any other action
43% No, I did not know I could take any other action

Please feel free to make any additional comments about the way your complaint was handled.

**COMPLAINT AGAINST MOTOR VEHICLE
SALES OR SERVICE BUSINESS FIRM**

K-35 Rev. 8-81

**APPENDIX D
STATE OF CONNECTICUT
DEPARTMENT OF MOTOR VEHICLES**

DATE REC'D

FOR OFFICE USE ONLY	DEALER LICENSE NO.	DEALER LOCATION NO.	CASE NO.
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INSTRUCTIONS:

1. Please print or type.
2. To help the Department of Motor Vehicles investigate this complaint, please answer as many questions as possible.
3. Be sure you have contacted the repair shop or dealership regarding your dissatisfaction before filing complaint with the Department of Motor Vehicles.

TO: Department of Motor Vehicles, Dealers & Repairers Division, 60 State Street, Wethersfield, Ct. 06109

I am filing a complaint against the business named below. I am requesting that the Department of Motor Vehicles assist me in resolving my problem to the extent provided by law. I understand that the Department of Motor Vehicles cannot collect money. I hereby affirm under penalty of false statement that the statements below are true and correct to the best of my knowledge.

SIGNED (Complainant)

X

DATE SIGNED

REPAIR SHOP OR DEALERSHIP INFORMATION	BUSINESS NAME (As shown on invoice)	BUSINESS PHONE NO.
	BUSINESS ADDRESS	PERSON DEALT WITH
COMPLAINANT INFORMATION	YOUR NAME	
	YOUR ADDRESS	

IMPORTANT: You will be contacted by TELEPHONE, therefore, it is important that you furnish the following telephone information:

When is the best time to reach you by PHONE:	PHONE NO. where you can be reached:	WEEKDAYS 8:30 - 4:30	THURSDAY NIGHT OR SATURDAY A.M.
(a). HAVE YOU COMPLAINED TO ANYONE AT THE BUSINESS?		IF YES, NAME OF PERSON CONTACTED	DATE OF COMPLAINT
<input type="checkbox"/> YES <input type="checkbox"/> NO			
(b). HAVE YOU CONTACTED ANY OTHER AGENCY ABOUT THIS COMPLAINT?		IF YES, NAME OF AGENCY	DATE CONTACTED
<input type="checkbox"/> YES <input type="checkbox"/> NO			
(c). HAVE YOU STARTED LEGAL ACTION?			
<input type="checkbox"/> YES <input type="checkbox"/> NO			
(d). TYPE OF VEHICLE		YEAR	MAKE
<input type="checkbox"/> AUTOMOBILE	<input type="checkbox"/> TRUCK	<input type="checkbox"/> MOTORCYCLE	<input type="checkbox"/> OTHER
MODEL	MARKER PLATE NO.	ODOMETER (Mileage) READING:	CURRENT READING
			READING AT TIME OF REPAIR OR SALE
TYPE OF COMPLAINT			
<input type="checkbox"/> TOWING (Complete Section A, below) <input type="checkbox"/> VEHICLE SALE (Complete Section B, below) <input type="checkbox"/> REPAIRS (Complete Section C, below)			

SECTION A - TOWING

1. Was vehicle towed to repair shop?	<input type="checkbox"/> YES <input type="checkbox"/> NO	IF YES, BY WHOM (Name, Address)
2. WHO AUTHORIZED THE TOW?		DISTANCE TOWED
		DATE TOWED
		TIME TOWED
3. WERE STORAGE SIGNS POSTED AT TOWING GARAGE?		
<input type="checkbox"/> YES <input type="checkbox"/> NO		

SECTION B - VEHICLE SALE

4. WERE AGREEMENTS BETWEEN YOU AND THE SALES PERSON PERTAINING TO REPAIRS OR OPTIONS WRITTEN INTO YOUR SALES AGREEMENT?		<input type="checkbox"/> YES <input type="checkbox"/> NO
5. DID YOU RECEIVE A COPY OF A PURCHASE ORDER AND/OR INVOICE FOR THE VEHICLE? IF YES, PLEASE ATTACH A COPY.		<input type="checkbox"/> YES <input type="checkbox"/> NO
6. DOES SALES AGREEMENT CONTAIN ONE OF THE FOLLOWING STATEMENTS?		
<input type="checkbox"/> NO REFUND OF DEPOSIT	<input type="checkbox"/> CONDITIONAL REFUND OF DEPOSIT	<input type="checkbox"/> UNCONDITIONAL REFUND
<input type="checkbox"/> NONE OF THE PRECEDING		
7. VEHICLE WAS PURCHASED	WAS VEHICLE GUARANTEED?	WHAT WERE THE TERMS OF THE GUARANTEE?
<input type="checkbox"/> NEW <input type="checkbox"/> USED	<input type="checkbox"/> YES <input type="checkbox"/> NO	

SECTION C - REPAIRS

8. WHAT PROBLEM CAUSED YOU TO BRING THE VEHICLE IN FOR REPAIRS (explain briefly)

APPENDIX E

RESOLUTION TABLE - DESCRIPTION

Complaint Withdrawn
No Violation (Resolved)
No Violation (Unresolved)
No Jurisdiction (Resolved)
No Jurisdiction (Unresolved)
No Jurisdiction (Referred to other Agency)
Violation, Verbal Warning (Resolved)
Violation, Verbal Warning (Unresolved)
Violation, Written Warning (Resolved)
Violation, Written Warning (Unresolved)
Re-Inspection Ordered
Violation, Administrative Hearing (Resolved)
Violation, Administrative Hearing (Unresolved)
Violation, Criminal Action
Out-of-Business
Information
Resolved (Per Dealer or Repairer Reply)
No Conclusion

COMPLAINT TYPES - DESCRIPTION

New Car Sales
Used Car Sales
Guarantee-Warranty Repairs
Manufacturer's Complaints - General
Unlicensed Location
Dealer-Repairer Plates
Transporter Plates
Wrecker - Storage Service
Miscellaneous
Gas
Junk Yards - Junk Conditions
Repairs
Deposits on New/Used Cars
Itemized Bill or Estimate
Rustproof
Paint Work/Trim
Emission
Odometers

APPENDIX F

Department of Motor Vehicles Response to Legislative Program Review and Investigations Committee Recommendations

The Department of Motor Vehicles appreciates the efforts put forth by the staff of the Program Review Committee, and concurs with many of the recommendations of the Committee's Report. Given the brief time available to respond to the voluminous Report, the following comments should not be considered exhaustive--they only represent general observations concerning some of those aspects of the Report in which we have some areas of agreement/disagreement.

Our objectives remain the same as that of the Committee. We welcome suggestions and recommendations aimed at providing better service for the motorists of Connecticut. Your recommendation that approximately \$5,000,000 be appropriated and additional personnel hired will help in achieving our joint objective of better serving the motoring public.

DEALERS AND REPAIRERS RECOMMENDATIONS

1. Dealers and Repairers Division should be made a section under the Programs Bureau, Regulation and Enforcement Division.

COMMENT: The responsibilities of this division are not related to the other main functions of the department--such as issuing of driver licenses and vehicle registrations and titles to Connecticut motorists. The division licenses approximately 8,000 dealers, repairers and gas stations. The volume of business, the number of consumer complaints and the revenue to the State is significant. The importance of this section should be reflected in the organization. Submerging this division into the organization as a section would be a mistake.

2. Improve phone access to and provide centralized information about the Dealers and Repairers Section. All phone calls concerning dealers and repairers functions should be answered at a central phone center with toll-free access.

COMMENT: We agree, that most, but not all calls should be answered at the phone center. There are licensing and complainant's calls that must be handled by our inspectors to resolve issues. We do not want to build a wall between our inspectors, the complaining motorists and the licensed businesses.

3. Dealers and Repairers Section should be monitored based upon a series of performance indicators.

COMMENT: We agree the Dealers and Repairers Section should be monitored based upon performance indicators and that we should establish workload standards. The capability necessary for data gathering and reporting, as spelled out in our own D & R Study, will be in place by January 1987.

4. Streamline the licensing application procedure and ease record-keeping. All licensing information related to dealers and repairers should be computerized by January 1, 1987.

COMMENT: We agree, and are moving to implement our D & R Study. Recommendations are targeted for January 1987. We are currently in the equipment selection process stage. However, additional funding needs to be acquired.

5. Dealers and Repairers Section should establish a system of staggered licensing.

COMMENT: We do not feel 8,000 licenses should be staggered over 365 days. The existing schedule spread over a five-month period is more than adequate for processing the eight-thousand (8,000) licenses, and lends itself to more effective law enforcement concerning misuse of dealer/repairer plates.

6. Department of Motor Vehicles should establish its complaint process in regulation.

COMMENT: We question whether the complaint process should be in regulation form, since it is difficult to change once adopted. We feel a written policy should be sufficient.

7. Department of Motor Vehicles should establish in regulation a process whereby an administrative hearing may be waived.

COMMENT: Basically, we question whether this should be a regulation or a filing under the Administrative Procedures Act and will consult the Attorney General on this matter. We agree with holding hearings in Hamden and Fairfield, when personnel becomes available. The department currently conducts hearings in Hamden and Fairfield on fatals, DWI refusals, misuse of plates and possession of alcoholic beverages by minors.

8. Department of Motor Vehicles should establish criteria by which a licensee may be granted additional plates beyond the statutory limits. Consider either retail sales or wholesale sales (not both) as the basis for issuing dealer plates.

COMMENT: We disagree with the second part of the recommendation, and believe that both types of sales should be used to determine issuance of dealer plates. The law states plate issuance should be based on sales and does not specify retail or wholesale sales. The need for dealer plates are the same, whether the transactions are wholesale or retail.